

CITY OF YATES CENTER, KANSAS

**FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2018

City of Yates Center, Kansas

TABLE OF CONTENTS
Year ended December 31, 2018

	<u>Statements</u>	<u>Page</u>
Independent Auditor's Report		1
Financial Statement		
Summary Statement of Receipts, Expenditures and Unencumbered Cash	1	3
Notes to Financial Statement		5
Regulatory Basis Supplementary Information	<u>Schedule</u>	
Summary of Expenditures – Actual and Budget	1	14
Schedule of Receipts & Expenditures – Actual & Budget –General Fund	2a	15
Schedule of Receipts & Expenditures – Actual & Budget –Special Highway	2b	18
Schedule of Receipts & Expenditures – Actual & Budget –Library	2c	19
Schedule of Receipts & Expenditures – Actual & Budget –Recreation Commission	2d	20
Schedule of Receipts & Expenditures – Actual –Lincoln Park Memorial	2e	21
Schedule of Receipts & Expenditures – Actual & Budget –Special Law & Emergency Vehicles	2f	22
Schedule of Receipts & Expenditures – Actual & Budget –Special Parks & Recreation	2g	23
Schedule of Receipts & Expenditures – Actual & Budget –Municipal Equipment	2h	24
Schedule of Receipts & Expenditures – Actual & Budget –Multi-Year Capital Improvement	2i	25
Schedule of Receipts & Expenditures – Actual & Budget –Fire Protection	2j	26
Schedule of Receipts & Expenditures – Actual –Ball Field Improvements	2k	27
Schedule of Receipts & Expenditures – Actual & Budget –Economic Development	2l	28
Schedule of Receipts & Expenditures – Actual –Water Rescue	2m	29
Schedule of Receipts & Expenditures – Actual & Budget –Special Recreational Facilities	2n	30
Schedule of Receipts & Expenditures – Actual –Police Department Special Account	2o	31
Schedule of Receipts & Expenditures – Actual & Budget –Sewer Replacement	2p	32
Schedule of Receipts & Expenditures – Actual –Sewer Debt Service	2q	33
Schedule of Receipts & Expenditures – Actual & Budget –Water Reserve	2r	34
Schedule of Receipts & Expenditures – Actual & Budget –Waterworks	2s	35
Schedule of Receipts & Expenditures – Actual & Budget –Sewer	2t	36
Related Municipal Entities:		
Schedule of Receipts and Expenditures – Actual – Carnegie Public Library	2u	37
Schedule of Receipts and Expenditures – Actual – Recreation Commission	2v	38
Agency - Schedule of Receipts and Disbursements	3	39

City Commissioners
City of Yates Center
Yates Center, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Yates Center, Kansas and related municipal entities, as of and for the year ended December 31, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the City of Yates Center, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Yates Center, Kansas as of December 31, 2018 or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Yates Center, Kansas as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

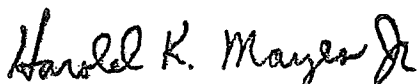
Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, schedule of regulatory basis receipts and expenditures – agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

The 2017 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2018 basic financial statement upon which we have rendered an unmodified opinion dated April 8, 2019. The 2017 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2017 comparative information is the responsibility of management and was derived from and related directly to the underlying account and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note C.



Harold K Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Ks
April 8, 2019

City of Yates Center, Kansas

**SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended December 31, 2018

	Beginning Unencumbered Cash	Prior Year Cancelled Encumbrances
Governmental type funds		
General	\$ 281,782	\$ 0
Special Purpose		
Special Highway	201,583	0
Library	0	0
Recreation Commission	1,847	0
Lincoln Park Memorial	14,655	0
Special Law and Emergency Vehicle	354,383	0
Special Parks and Recreation	4,479	0
Municipal Equipment	124,740	0
Multi-year Capital Improvement	75,092	0
Fire Protection Reserve	59,356	0
Ball Field Improvements	9,128	0
Economic Development	70,574	0
Water Rescue	3,721	0
Special Recreational Facilities	117,211	0
Police Department Special Account	2,481	0
Sewer Replacement	161,800	0
Sewer Debt Service	59,214	0
Water Reserve	241,635	0
Business funds		
Waterworks	580,860	0
Sewer	9,773	0
Total primary government	<u>2,374,314</u>	<u>0</u>
Related Municipal Entities		
Carnegie Public Library	142,201	0
Recreation Commission	21,257	0
Total related municipal entities	<u>163,458</u>	<u>0</u>
Total reporting entity (excluding agency funds)	\$ <u><u>2,537,772</u></u>	\$ <u><u>0</u></u>
Composition of ending cash		
Demand deposits		
Yates Center Bank Branch - City		\$ 519,600
Yates Center Bank Branch - Carnegie Public Library		10,829
Yates Center Bank Branch - Recreation Commission		16,686
Girard National Bank		9,104
Time deposits		
Yates Center Bank Branch - City		1,997,107
Yates Center Bank Branch - Carnegie Public Library		133,332
Yates Center Bank Branch - Recreation Commission		7,338

The accompanying notes are an integral part of this statement.

Statement 1

Receipts	Expenditures	Ending Unencumbered Cash	Add Encumbrances and Accounts Payable	Ending Cash Balance
\$ 996,099	\$ 1,087,874	\$ 190,007	\$ 15,045	\$ 205,052
227,208	199,633	229,158	1,237	230,395
60,943	60,943	0	0	0
27,733	26,309	3,271	0	3,271
0	0	14,655	0	14,655
48,035	20,000	382,418	0	382,418
226	0	4,705	0	4,705
49,090	25,610	148,220		148,220
116,579	35,316	156,355	0	156,355
13,563	13,978	58,941	129	59,070
11,139	4,884	15,383	0	15,383
27,127	32,195	65,506	14	65,520
0	830	2,891	146	3,037
23,180	59,365	81,026	0	81,026
4	372	2,113	0	2,113
90,610	164,625	87,785	0	87,785
170,400	170,078	59,536	0	59,536
21,058	0	262,693	0	262,693
599,842	518,022	662,680	4,259	666,939
333,257	256,323	86,707	1,837	88,544
2,816,093	2,676,357	2,514,050	22,667	2,536,717
74,567	73,658	143,110	1,106	144,216
21,864	19,097	24,024	0	24,024
96,431	92,755	167,134	1,106	168,240
\$ 2,912,524	\$ 2,769,112	\$ 2,681,184	\$ 23,773	\$ 2,704,957
Certificates of deposit				
Piqua State Bank - City				\$ 20,000
Cash on hand				
City				10
Carnegie Public Library				55
Total cash balance				2,714,061
Agency cash per Schedule 3				(9,104)
Total reporting entity (excluding agency funds)				\$ 2,704,957

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2018

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Yates Center is a municipal corporation governed by an elected mayor and eight-member council. These financial statements present the City and its related municipal entities, entities for which the government is considered to be financially accountable. Each related municipal entity is reported on a separate line in the summary of cash receipts, expenditures and unencumbered cash to emphasize it is legally separate from the government. Each related municipal entity has a December 31 year end.

Related Municipal Entities

The Library provides reading and research materials for the residents of the City. The Board members for the Library are appointed by the City Council. Because the Library is not a separate taxing entity by state statutes, the City levies taxes for the Library's operations. The financial data of the Library is reported as a related municipal entity in Schedule 2 of the report.

The Recreation Commission provides recreational facilities and services for the residents of the City. The Board members for the Recreation Commission are appointed by the City Council. The Commission is not a separate taxing entity and therefore the City levies taxes for the Commission's operations. The financial data of the Recreation Commission is reported as a related municipal entity in Schedule 2 of the report.

Autonomous Entity

The Firemen's Relief Association provides insurance and other benefits to firemen. The Association's Board consists of firefighters elected by popular vote. Kansas statutes provide for funding by assessing a charge on fire insurance premiums paid. The Association is an autonomous entity and therefore its financial data is not included in these financial statements.

Related Organization

The Housing Authority was organized to provide a not-for-profit apartment facility for local elderly residents. The Housing Authority members are appointed by the Mayor with Council approval. The City has no responsibility for any liabilities incurred by the Housing Authority and provides no funding to the Housing Authority. The Housing Authority is not dependent upon the City of Yates Center. For these reasons, the Housing Authority is not considered to be a part of the City's reporting entity and therefore is not included in these financial statements.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Funds accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potentially could have the following type of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt. Currently bond and interest payments are made through the utility funds and thus the City does not have a bond and interest fund at this time.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2018

NOTE B. REGULATORY BASIS FUND TYPES - continued

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment. The City does not have any of this type of fund during the year under audit.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The City does not have any of this type of fund during the year under audit..

Agency Fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, municipal court accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Yates Center, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for 2018.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2018

NOTE D. BUDGETARY INFORMATION - continued

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose and business funds:

Lincoln Park Memorial
Water Rescue

Municipal Equipment
Sewer Replacement

Police Department Special Account
Water Reserve

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

NOTE E. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The City rates investments (if any) as noted.

Concentration of credit risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments other than money markets and certificates of deposit.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2018.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2018

NOTE E. CASH AND INVESTMENTS - continued

At December 31, 2018, the City's carrying amount of deposits was \$2,545,876 (which includes cash on hand of \$10) and the bank balance was \$2,578,765. The difference between the carrying amount and the bank balance was outstanding checks and outstanding deposits. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$277,459 was covered by FDIC insurance and \$2,301,306 was collateralized with securities held by the pledging financial institutions' agent in the City's name.

At December 31, 2018, the Carnegie Public Library's carrying amount of deposits was \$144,219 (which excludes petty cash of \$55) and the bank balance was \$145,818. The difference between the carrying amount and the bank balance was outstanding checks and outstanding deposits. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$145,818 was covered by FDIC insurance.

At December 31, 2018, the Recreation Commission's carrying amount of deposits was \$24,024 and the bank balance was \$24,024. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$24,024 was covered by FDIC insurance.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

NOTE F. LONG-TERM DEBT

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
Revolving Loan:				
Kansas Water Pollution Control	3.14%	09/20/2000	\$ 2,738,507	03/01/2023
Kansas Department of Health and Environment	3.47%	06/22/2009	491,624	08/01/2030
Capital Leases:				
Land	6.50%	12/27/2007	156,000	12/27/2022
Grader	2.75%	10/17/2016	118,129	04/01/2021
Sewer Replacement	3.50%	07/18/2018	79,310	07/18/2026

Changes in long-term debt for the City of Yates Center for the year ended December 31, 2018, were as follows:

	<u>Balance Beginning of year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest & Service fee Paid</u>
Revolving Loan:					
Kansas Water Pollution Control	\$ 846,886	\$ 0	\$ 142,566	\$ 704,320	\$ 25,482
Kansas Department of Health and Environment	317,225	0	19,252	297,973	10,842
Capital Leases:					
Land	62,111	0	11,955	50,156	1,554
Grader	93,904	0	22,977	70,927	2,634
Golf Mower	11,313	0	2,662	8,651	2,662
Sewer Replacement	0	79,310	0	79,310	0
	<u>\$ 1,331,439</u>	<u>\$ 79,310</u>	<u>\$ 199,412</u>	<u>\$ 1,211,337</u>	<u>\$ 43,174</u>

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2018

NOTE F. LONG-TERM DEBT - continued

Current maturities of long-term debt for the next five years and in five year increments thereafter are as follows:

Year	Revolving Loan		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 167,435	\$ 31,136	\$ 44,562	\$ 6,058	\$ 211,997	\$ 37,194
2020	173,247	25,766	48,555	4,788	221,802	30,554
2021	179,259	20,211	49,880	3,463	229,139	23,674
2022	185,483	14,461	23,629	2,108	209,112	16,569
2023	106,883	8,513	10,057	1,505	116,940	10,018
2024-2028	130,478	23,129	32,361	2,327	162,839	25,456
2029-2030	59,508	2,605	0	0	59,508	2,605
	<u>\$ 1,002,293</u>	<u>\$ 125,821</u>	<u>\$ 209,044</u>	<u>\$ 20,249</u>	<u>\$ 1,211,337</u>	<u>\$ 146,070</u>

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2018, the statutory limit for the City was \$1,795,886 providing a debt margin of \$1,795,886 after removing debt exempt from the limitation.

NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Special Highway	K.S.A. 12-1118	\$ 157,127
General	Special Law and Emergency	K.S.A. 12-1118	33,909
General	Multi-year Capital Improvement	K.S.A. 12-1118	116,067
General	Fire Protection	K.S.A. 12-1118	13,563
General	Ballfield Improvements	K.S.A. 12-1118	10,173
General	Economic Development	K.S.A. 12-1118	27,127
Special Highway	Municipal Equipment	K.S.A. 12-1118	49,090
Water Fund	Water Reserve	K.S.A. 12-1118	20,400
Water Fund	Sewer Fund	K.S.A. 12-1118	48,000
Sewer Fund	Sewer Debt Service	K.S.A. 12-1118	170,400
Sewer Fund	Sewer Replacement	K.S.A. 12-1118	11,300

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2018

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All full-time employees of the City are eligible to participate in the plan beginning the first day of the month following employment.

Compensated Absences: The City's policies regarding vacation pay permits employees to accumulate vacation time earned in a twelve month period. Vacation is awarded based upon the number of years worked according to the following time frame: one week vacation after one year, two weeks after two years, three weeks after ten years and four weeks after twenty years. Vacation time may be carried over to the first three months following their employment year. Earned vacation leave shall be paid upon termination.

	Balance January 1, 2018	Net Change	Balance December 31, 2018
Compensated absences			
Vacation leave	\$ 24,254	\$ (12,256)	\$ 11,998

The City's policies regarding sick leave permit employees to accumulate sick leave to a maximum of 90 days. Earned sick leave is not paid upon termination. The City also offers a shared sick leave policy whereby employees may donate accumulated sick leave to fellow employees within a given set of qualifications. Compensated absences are paid by the fund from which the employee is normally paid.

NOTE I. DEFINED BENEFIT PENSION PLAN

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for KPERS for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$37,126 for KPERS for the year ended December 31, 2018.

Net Pension Liability At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$309,115. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and nonemployer contributions of the local

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2018

NOTE I. DEFINED BENEFIT PENSION PLAN – continued

subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE J. OTHER POSTEMPLOYMENT BENEFITS – THRU KPERS

City of Yates Center has employees who have disability insurance through KPERS. As of December 31, 2018 the liability for these policies was determined by an actuarial valuation as of December 31, 2017, calculated based upon a discount rate of 3.87%, actuarial assumptions using a valuation date of December 31, 2017, a measurement date of June 30, 2018, an inflation rate of 2.75%, salary increases including inflation, mortality tables based on actual KPERS experience, a growth rate of 3% and an actuarial cost method. This data was rolled forward to the measurement date as of June 30, 2018 and then to December 31, 2018. Any significant changes during this period have been reflected as prescribed by GASB 75.

At December 31, 2018, the City of Yates Center's proportionate share of the collective net other postemployment benefits liability reported to KPERS was \$9,186. The City of Paola's proportion of the net pension liability was based on the ratio of the City of Paola's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

NOTE K. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Liabilities related to risks of loss are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. During the last three years, claim settlements have not exceeded insurance coverage.

NOTE L. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

For December 31, 2018 no statutory violations were noted.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2018

NOTE L. OTHER INFORMATION - continued

Covenants: As of year ended December 31, 2018 the City had not placed enough funds into the sewer replacement account to comply with debt covenants as follows:

	<u>Actual</u>	<u>Required</u>
Principal and interest account	\$ <u>87,785</u>	\$ <u>135,600</u>

As of year ended December 31, 2018 the City had placed enough funds into the water replacement account to comply with the covenants as follows:

	<u>Actual</u>	<u>Required</u>
Water reserve account	\$ <u>262,693</u>	\$ <u>150,000</u>

NOTE M. SUBSEQUENT EVENTS

Subsequent Events: Management evaluated subsequent events through April 8, 2019. The City did not have any events which required disclosure as subsequent events.

REGULATORY BASIS
SUPPLEMENTARY INFORMATION

City of Yates Center, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type Funds					
General	\$ 1,213,647	\$ 0	\$ 1,213,647	\$ 1,087,873	\$ (125,774)
Special Purpose					
Special Highway	342,886	0	342,886	199,634	(143,252)
Library	60,700	3,639	64,339	60,943	(3,396)
Recreational Commission	25,000	3,000	28,000	26,309	(1,691)
Special Law & Emergency Vehicles	399,815	0	399,815	20,000	(379,815)
Special Parks and Recreation	419	0	419	0	(419)
Multi-year Capital Improvement	143,129	0	143,129	35,317	(107,812)
Fire Protection Reserve	65,090	0	65,090	13,978	(51,112)
Ball Field Improvements	31,000	0	31,000	4,884	(26,116)
Economic Development	79,630	0	79,630	32,195	(47,435)
Special Recreational Facilities	85,312	0	85,312	59,365	(25,947)
Sewer Debt Service	229,884	0	229,884	170,077	(59,807)
Business Funds					
Waterworks	883,860	0	883,860	518,022	(365,838)
Sewer	391,620	0	391,620	256,324	(135,296)

See Independent Auditor's Report

City of Yates Center, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		
	2017			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Property	\$ 253,698	\$ 231,874	\$ 266,153	\$ (34,279)
Delinquent	12,715	18,762	2,000	16,762
Motor vehicle	47,707	47,053	51,637	(4,584)
Commercial vehicle	2,874	3,278	2,965	(91)
Recreational vehicle	729	526	806	(280)
16/20M vehicle	0	1,131	1,875	(744)
Mineral Tax	0	1	0	1
Local sales tax	331,828	361,694	343,000	18,694
County sales tax	72,438	91,628	83,000	8,628
State Assessed	0	21,871	0	21,871
Special assessments	1,851	675	1,000	(325)
	<u>723,840</u>	<u>778,493</u>	<u>752,436</u>	<u>25,653</u>
Total taxes				
	<u>723,840</u>	<u>778,493</u>	<u>752,436</u>	<u>25,653</u>
Intergovernmental				
Local alcohol liquor fund	269	226	373	(147)
Licenses and permits				
Utility franchise tax	69,315	74,857	77,000	(2,143)
Other licenses and permits	6,295	6,453	3,800	2,653
Impound fees	772	604	300	304
Charges for services				
Swimming fees	9,952	9,248	9,250	(2)
Fines and fees	119,277	94,064	100,000	(5,936)
Use of money and property				
Interest on idle funds	4,947	5,492	2,500	2,992
Oil production	113	0	1,000	(1,000)
Sale of asset	410	0	0	0
Reimbursed expenses	25,245	23,311	16,000	7,311
Miscellaneous	1,892	3,351	0	3,351
	<u>962,327</u>	<u>996,099</u>	<u>\$ 962,659</u>	<u>\$ 33,036</u>
Total cash receipts				
	<u>962,327</u>	<u>996,099</u>	<u>\$ 962,659</u>	<u>\$ 33,036</u>
Expenditures				
General government				
General administration				
Salaries	83,655	67,895	\$ 116,711	\$ (48,816)
Contractual services	104,340	87,942	96,893	(8,951)
Commodities	10,909	12,106	12,500	(394)
Capital outlay	7,238	17,285	70,315	(53,030)
	<u>206,142</u>	<u>185,228</u>	<u>296,419</u>	<u>(111,191)</u>
Total general administration				
	<u>206,142</u>	<u>185,228</u>	<u>296,419</u>	<u>(111,191)</u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		
	2017	Actual	Budget	Variance Over (Under)
Expenditures	Actual	Actual	Budget	(Under)
Utility service				
Contractual services	\$ 50,363	\$ 48,957	\$ 55,000	\$ (6,043)
Employee benefits				
Workmen's compensation	14,076	19,970	13,500	6,470
Retirement contributions	34,762	37,126	35,000	2,126
FICA payments	38,380	36,750	41,339	(4,589)
Unemployment contributions	377	482	4,000	(3,518)
Total employee benefits	87,595	94,328	93,839	489
Total general government	344,100	328,513	445,258	(116,745)
Public safety				
Fire department				
Salaries	18,539	18,736	23,014	(4,278)
Contractual services	13,563	14,859	16,000	(1,141)
Commodities	5,897	6,288	10,000	(3,712)
Capital outlay	2,387	11,662	14,500	(2,838)
Total fire department	40,386	51,545	63,514	(11,969)
Law enforcement				
Salaries	210,615	214,047	222,652	(8,605)
Contractual services	40,698	46,965	57,000	(10,035)
Commodities	6,390	16,958	10,816	6,142
Capital outlay	0	2,867	3,640	(773)
Total law enforcement	257,703	280,837	294,108	(13,271)
Total public safety	298,089	332,382	357,622	(25,240)
Culture and recreation				
Swimming pool				
Salaries	36,930	24,149	21,768	2,381
Contractual services	10,685	10,545	14,500	(3,955)
Commodities	14,767	13,809	17,000	(3,191)
Capital Outlay	0	0	7,194	(7,194)
Total swimming pool	62,382	48,503	60,462	(11,959)

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		
	2017			Variance
	Actual	Actual	Budget	Over
				(Under)
Expenditures				
Park department				
Salaries	\$ 3,206	\$ 5,277	\$ 18,827	\$ (13,550)
Contractual services	10,094	11,720	10,000	1,720
Commodities	1,180	3,512	2,478	1,034
Capital outlay	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>(5,000)</u>
Total park department	<u>14,480</u>	<u>20,509</u>	<u>36,305</u>	<u>(15,796)</u>
Operating transfers	<u>350,447</u>	<u>357,966</u>	<u>314,000</u>	<u>43,966</u>
Total expenditures	<u>1,069,498</u>	<u>1,087,873</u>	\$ <u>1,213,647</u>	\$ <u>(125,774)</u>
Receipts over (under) expenditures	(107,171)	(91,774)		
Unencumbered cash, beginning	<u>388,952</u>	<u>281,781</u>		
Unencumbered cash, ending	\$ <u>281,781</u>	\$ <u>190,007</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2b

SPECIAL PURPOSE FUND
SPECIAL HIGHWAY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		
	2017			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Intergovernmental	\$ 59,858	\$ 60,648	\$ 59,920	\$ 728
Miscellaneous	0	8,111	1,000	7,111
Reimbursed expenses	0	1,322	0	1,322
Operating transfers	<u>232,690</u>	<u>157,127</u>	<u>155,600</u>	<u>1,527</u>
Total cash receipts	<u>292,548</u>	<u>227,208</u>	<u>\$ 216,520</u>	<u>\$ 10,688</u>
Expenditures				
Highways and streets				
Personal services	63,504	70,437	\$ 89,462	\$ (19,025)
Contractual services	6,313	15,554	25,000	(9,446)
Commodities	83,535	57,802	110,000	(52,198)
Capital outlay	<u>3,592</u>	<u>6,751</u>	<u>69,334</u>	<u>(62,583)</u>
Total highways and streets	<u>156,944</u>	<u>150,544</u>	<u>293,796</u>	<u>(143,252)</u>
Operating transfers	<u>49,090</u>	<u>49,090</u>	<u>49,090</u>	<u>0</u>
Total expenditures	<u>206,034</u>	<u>199,634</u>	<u>\$ 342,886</u>	<u>\$ (143,252)</u>
Receipts over (under) expenditures	86,514	27,574		
Unencumbered cash, beginning	<u>115,070</u>	<u>201,584</u>		
Unencumbered cash, ending	<u>\$ 201,584</u>	<u>\$ 229,158</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2c

SPECIAL PURPOSE FUND
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance Over (Under)	
	2017 Actual	Actual	Budget		
Cash receipts					
Taxes					
Property	\$ 45,961	\$ 40,204	\$ 50,325	\$ (10,121)	
Delinquent tax	2,517	3,475	0	3,475	
Motor vehicle tax	9,483	8,575	9,352	(777)	
Commercial vehicle	569	594	537	57	
Recreation vehicle tax	145	95	146	(51)	
16/20M Vehicle tax	0	225	340	(115)	
Special Assessments	0	4,136	0	4,136	
State Assessed	0	3,639	0	3,639	
Total cash receipts	<u>58,675</u>	<u>60,943</u>	<u>\$ 60,700</u>	<u>\$ 243</u>	
Expenditures					
Appropriation	<u>60,624</u>	<u>60,943</u>	<u>\$ 60,700</u>	<u>\$ 243</u>	
Legal Budget	60,624	60,943	60,700	243	
Adjustment for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>3,639</u>	<u>(3,639)</u>	
Total expenditures	<u>60,624</u>	<u>60,943</u>	<u>\$ 64,339</u>	<u>\$ (3,396)</u>	
Receipts over (under) expenditures	(1,949)	0			
Unencumbered cash, beginning	<u>1,949</u>	<u>0</u>			
Unencumbered cash, ending	<u>\$ 0</u>	<u>\$ 0</u>			

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2d

SPECIAL PURPOSE FUND
RECREATION COMMISSION BOARD
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance Over (Under)	
	2017 Actual	Actual	Budget		
Cash receipts					
Taxes					
Property	\$ 17,881	\$ 15,969	\$ 19,982	\$ (4,013)	
Delinquent tax	774	1,192	0	1,192	
Motor vehicle tax	2,863	3,348	3,640	(292)	
Commercial vehicle	174	231	209	22	
Recreation vehicle tax	44	37	57	(20)	
16/20M vehicle tax	0	68	132	(64)	
Mineral Tax	0	1	0	1	
Special Assessments	0	1,642	0	1,642	
State Assessed	0	1,445	0	1,445	
Donations	0	800	0	800	
Reimbursed expenses	20	3,000	0	3,000	
Total cash receipts	<u>21,756</u>	<u>27,733</u>	<u>\$ 24,020</u>	<u>\$ 3,713</u>	
Expenditures					
Culture and recreation					
Personal services	13,937	16,236	\$ 23,000	\$ (6,764)	
Golf course allocation	2,000	2,000	2,000	0	
Appropriation	<u>7,983</u>	<u>8,073</u>	<u>0</u>	<u>8,073</u>	
Legal Budget	23,920	26,309	25,000	1,309	
Adjustment for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>(3,000)</u>	
Total expenditures	<u>23,920</u>	<u>26,309</u>	<u>\$ 28,000</u>	<u>\$ (1,691)</u>	
Receipts over (under) expenditures	(2,164)	1,424			
Unencumbered cash, beginning	<u>4,011</u>	<u>1,847</u>			
Unencumbered cash, ending	\$ <u>1,847</u>	\$ <u>3,271</u>			

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2e**

SPECIAL PURPOSE FUND
LINCOLN PARK MEMORIAL
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017 Actual</u>	<u>2018 Actual</u>
Cash receipts		
Donations	\$ 2,847	\$ 0
Expenditures		
Culture and recreation		
Miscellaneous	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	2,847	0
Unencumbered cash, beginning	<u>11,808</u>	<u>14,655</u>
Unencumbered cash, ending	\$ <u><u>14,655</u></u>	\$ <u><u>14,655</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2f

SPECIAL PURPOSE FUND
SPECIAL LAW AND EMERGENCY VEHICLES
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance Over (Under)	
	2017 Actual	Actual	Budget		
Cash receipts					
Taxes					
Property	\$ 10,683	\$ 9,055	\$ 11,974	\$ (2,919)	
Delinquent	589	1,065	0	1,065	
Motor vehicle	2,218	1,992	2,173	(181)	
Commercial vehicle	134	138	125	13	
Mineral Tax	0	1	0	1	
Recreational vehicle	34	22	34	(12)	
16/20M vehicle	0	52	79	(27)	
Special Assessments	0	958	0	958	
State Assessed	0	843	0	843	
Operating transfers	<u>32,112</u>	<u>33,909</u>	<u>32,000</u>	<u>1,909</u>	
Total cash receipts	<u>45,770</u>	<u>48,035</u>	\$ <u>46,385</u>	\$ <u>1,650</u>	
Expenditures					
Public safety					
2018-police car	0	0	\$ 25,000	\$ (25,000)	
Capital outlay	<u>0</u>	<u>20,000</u>	<u>374,815</u>	<u>(354,815)</u>	
Total expenditures	<u>0</u>	<u>20,000</u>	\$ <u>399,815</u>	\$ <u>(379,815)</u>	
Receipts over (under) expenditures	45,770	28,035			
Unencumbered cash, beginning	<u>308,613</u>	<u>354,383</u>			
Unencumbered cash, ending	\$ <u>354,383</u>	\$ <u>382,418</u>			

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2g

SPECIAL PURPOSE FUND
SPECIAL PARKS AND RECREATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Taxes				
Local alcohol tax	\$ 269	\$ 226	\$ <u>304</u>	\$ <u>(78)</u>
Expenditures				
Other	<u>0</u>	<u>0</u>	\$ <u>419</u>	\$ <u>(419)</u>
Receipts over (under) expenditures	269	226		
Unencumbered cash, beginning	<u>4,210</u>	<u>4,479</u>		
Unencumbered cash, ending	\$ <u>4,479</u>	\$ <u>4,705</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2h**

SPECIAL PURPOSE FUND
MUNICIPAL EQUIPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017 Actual</u>	<u>2018 Actual</u>
Cash receipts		
Miscellaneous		
Insurance	\$ 10,431	\$ 0
Operating transfers	<u>49,090</u>	<u>49,090</u>
Total cash receipts	59,521	49,090
Expenditures		
General government		
Capital outlay	<u>30,641</u>	<u>25,610</u>
Receipts over (under) expenditures	28,880	23,480
Unencumbered cash, beginning	<u>95,860</u>	<u>124,740</u>
Unencumbered cash, ending	<u>\$ 124,740</u>	<u>\$ 148,220</u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2i

SPECIAL PURPOSE FUND
MULTI-YEAR CAPITAL IMPROVEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		
	2017			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Property	\$ 34	\$ 0	\$ 0	\$ 0
Delinquent	570	460	0	460
Motor vehicle	2,218	0	0	0
Commercial vehicle	134	0	0	0
Recreational vehicle	33	0	0	0
16/20M vehicle	0	53	0	53
Total taxes	2,989	513	0	513
Reimbursed expenses	20,114	0	0	0
Operating transfers	37,478	116,066	78,400	37,666
Total cash receipts	60,581	116,579	\$ 78,400	\$ 38,179
Expenditures				
General government				
Capital Outlay	13,036	21,808	93,620	(71,812)
Pool Renovations	0	0	36,000	(36,000)
ADA ball fields	32,335	0	0	0
Total general government	45,371	21,808	129,620	(107,812)
Debt service				
Principal	11,677	11,993	11,994	(1)
Interest	1,968	1,516	1,515	1
Total debt service	13,645	13,509	13,509	0
Total expenditures	59,016	35,317	\$ 143,129	\$ (107,812)
Receipts over (under) expenditures	1,565	81,262		
Unencumbered cash, beginning	73,528	75,093		
Unencumbered cash, ending	\$ 75,093	\$ 156,355		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2j

SPECIAL PURPOSE FUND
FIRE PROTECTION RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		
	2017			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Operating transfers	\$ 12,845	\$ 13,563	\$ 12,800	\$ 763
Expenditures				
Public Safety				
Contractual	7,367	6,935	\$ 11,336	\$ (4,401)
Capital Outlay (Generator)	0	6,913	49,490	(42,577)
Commodities	715	129	4,264	(4,135)
Total expenditures	<u>8,082</u>	<u>13,977</u>	<u>\$ 65,090</u>	<u>\$ (51,113)</u>
Receipts over (under) expenditures	4,763	(414)		
Unencumbered cash, beginning	<u>54,592</u>	<u>59,355</u>		
Unencumbered cash, ending	<u>\$ 59,355</u>	<u>\$ 58,941</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2k

SPECIAL PURPOSE FUND
BALL FIELD IMPROVEMENTS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Miscellaneous				
Donations	\$ 0	\$ 966	\$ 0	\$ 966
Grants	21,077	0	0	0
Operating transfers	9,634	10,173	9,600	573
Total receipts	<u>30,711</u>	<u>11,139</u>	<u>9,600</u>	<u>573</u>
Expenditures				
Special recreational facilities				
Capital Outlay	41,072	4,884	\$ 31,000	\$ (26,116)
Total expenditures	<u>41,072</u>	<u>4,884</u>	<u>\$ 31,000</u>	<u>\$ (26,116)</u>
Receipts over (under) expenditures	(10,361)	6,255		
Unencumbered cash, beginning	<u>19,489</u>	<u>9,128</u>		
Unencumbered cash, ending	<u>\$ 9,128</u>	<u>\$ 15,383</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 21

SPECIAL PURPOSE FUND
ECONOMIC DEVELOPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		
	2017			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Operating transfers	\$ 25,689	\$ 27,127	\$ 25,600	\$ 1,527
Expenditures				
General government				
Contractual	0	1,955	\$ 5,000	\$ (3,045)
Property Tax Incentives	195	59	3,500	(3,441)
Chamber allocation	18,922	18,922	18,922	0
County taxes	485	479	260	219
Business incentives	5,845	780	9,000	(8,220)
Community Support	0	0	5,000	(5,000)
Capital Outlay	0	10,000	37,948	(27,948)
Total expenditures	25,447	32,195	\$ 79,630	\$ (47,435)
Receipts over (under) expenditures	242	(5,068)		
Unencumbered cash, beginning	70,332	70,574		
Unencumbered cash, ending	\$ 70,574	\$ 65,506		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2m**

SPECIAL PURPOSE FUND
WATER RESCUE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Cash receipts		
Miscellaneous	\$ 0	\$ 0
Expenditures		
Public safety		
Contractual Services	0	146
Capital Outlay	<u>0</u>	<u>684</u>
Total expenditures	<u>0</u>	<u>830</u>
Receipts over (under) expenditures	0	(830)
Unencumbered cash, beginning	<u>3,721</u>	<u>3,721</u>
Unencumbered cash, ending	\$ <u><u>3,721</u></u>	\$ <u><u>2,891</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2n

SPECIAL PURPOSE FUND
SPECIAL RECREATIONAL FACILITIES
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		
	2017			Variance
	Actual	Actual	Budget	Over (Under)
Cash receipts				
Charges for services	\$ 3,724	\$ 5,176	\$ 5,000	\$ 176
Use of money and property	5,481	5,702	5,500	202
Miscellaneous	20,037	10,672	17,500	(6,828)
Donations	1,370	1,631	1,100	531
	<u>30,612</u>	<u>23,181</u>	<u>\$ 29,100</u>	<u>\$ (5,919)</u>
Expenditures				
Special recreational facilities				
Contractual services	1,501	2,298	\$ 5,700	\$ (3,402)
Commodities	8,467	7,223	17,500	(10,277)
Capital outlay	10,048	49,844	62,112	(12,268)
	<u>20,016</u>	<u>59,365</u>	<u>\$ 85,312</u>	<u>\$ (25,947)</u>
Receipts over (under) expenditures	10,596	(36,184)		
Unencumbered cash, beginning	<u>106,614</u>	<u>117,210</u>		
Unencumbered cash, ending	\$ <u>117,210</u>	\$ <u>81,026</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2o**

SPECIAL PURPOSE FUND
POLICE DEPARTMENT SPECIAL ACCOUNT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Cash receipts		
Use of money and property	\$ 7	\$ 4
Expenditures		
Public safety		
Commodities	<u>3,483</u>	<u>372</u>
Receipts over (under) expenditures	(3,476)	(368)
Unencumbered cash, beginning	<u>5,957</u>	<u>2,481</u>
Unencumbered cash, ending	\$ <u><u>2,481</u></u>	\$ <u><u>2,113</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2p**

SPECIAL PURPOSE FUND
SEWER REPLACEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017 Actual</u>	<u>2018 Actual</u>
Cash receipts		
Loan	\$ 0	\$ 79,310
Operating transfer	<u>11,300</u>	<u>11,300</u>
Total Cash Receipts	<u>11,300</u>	<u>90,610</u>
Expenditures		
Contractual	<u>0</u>	<u>164,625</u>
Receipts over (under) expenditures	11,300	(74,015)
Unencumbered cash, January 1	<u>150,500</u>	<u>161,800</u>
Unencumbered cash, December 31	<u>\$ 161,800</u>	<u>\$ 87,785</u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2g

SPECIAL PURPOSE FUND
SEWER DEBT SERVICE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		
	2017			Variance
	Actual	Actual	Budget	Over (Under)
Cash receipts				
Operating transfer	\$ 170,399	\$ 170,400	\$ 170,400	\$ 0
Expenditures				
Debt service				
Principal	137,853	142,566	142,566	0
Interest	29,848	25,483	25,482	1
Service fee	2,376	2,028	2,029	(1)
Cash Reserve	0	0	59,807	(59,807)
Total expenditures	<u>170,077</u>	<u>170,077</u>	<u>\$ 229,884</u>	<u>\$ (59,807)</u>
Receipts over (under) expenditures	322	323		
Unencumbered cash, January 1	<u>58,891</u>	<u>59,213</u>		
Unencumbered cash, December 31	<u>\$ 59,213</u>	<u>\$ 59,536</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2r**

SPECIAL PURPOSE FUND
WATER RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Cash receipts		
Use of money and property	\$ 503	\$ 659
Operating transfer	<u>20,400</u>	<u>20,400</u>
Total cash receipts	<u>20,903</u>	<u>21,059</u>
 Expenditures		
Operations		
Contractual services	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	20,903	21,059
Unencumbered cash, January 1	<u>220,731</u>	<u>241,634</u>
Unencumbered cash, December 31	<u>\$ 241,634</u>	<u>\$ 262,693</u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2s

BUSINESS FUND
WATERWORKS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance Over (Under)	
	2017 Actual	Actual	Budget		
Cash receipts					
Charges for services	\$ 509,897	\$ 566,512	\$ 533,600	\$ 32,912	
Water protection fee	1,079	1,032	900	132	
Use of money and property	18,261	21,817	16,000	5,817	
Reimbursed expenses	605	3,131	5,500	(2,369)	
Sale of Assets	0	6,000	0	6,000	
Miscellaneous	0	430	350	80	
State set-off program	1,087	920	0	920	
Total cash receipts	<u>530,929</u>	<u>599,842</u>	<u>\$ 556,350</u>	<u>\$ 43,492</u>	
Expenditures					
Operations					
Personal services	123,167	128,886	\$ 160,286	\$ (31,400)	
Contractual services	203,070	92,079	82,000	10,079	
Commodities	127,405	110,077	110,000	77	
Capital outlay	43,970	118,080	146,986	(28,906)	
Water improvement project	0	0	285,000	(285,000)	
Miscellaneous	0	500	0	500	
Total operations	<u>497,612</u>	<u>449,622</u>	<u>784,272</u>	<u>(334,650)</u>	
Debt service					
Principal	0	0	31,188	(31,188)	
Total debt service	<u>0</u>	<u>0</u>	<u>31,188</u>	<u>(31,188)</u>	
Operating transfers	<u>68,400</u>	<u>68,400</u>	<u>68,400</u>	<u>0</u>	
Total expenditures	<u>566,012</u>	<u>518,022</u>	<u>\$ 883,860</u>	<u>\$ (365,838)</u>	
Receipts over (under) expenditures	(35,083)	81,820			
Unencumbered cash, January 1	<u>615,943</u>	<u>580,860</u>			
Unencumbered cash, December 31	<u>\$ 580,860</u>	<u>\$ 662,680</u>			

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2t

BUSINESS FUND
SEWER
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Charges for services	\$ 241,216	\$ 283,787	\$ 328,800	\$ (45,013)
Miscellaneous	594	550	0	550
Set-off program	1,088	920	0	920
Operating transfer	48,000	48,000	48,000	0
Total cash receipts	290,898	333,257	\$ 376,800	\$ (43,543)
Expenditures				
Operations				
Contractual services	93,659	60,374	\$ 113,000	\$ (52,626)
Commodities	1,550	4,431	5,000	(569)
Capital outlay	4,600	9,819	91,920	(82,101)
Total operations	99,809	74,624	209,920	(135,296)
Operating transfers	181,700	181,700	181,700	0
Total expenditures and budget credits	281,509	256,324	\$ 391,620	\$ (135,296)
Receipts over (under) expenditures	9,389	76,933		
Unencumbered cash, January 1	385	9,774		
Unencumbered cash, December 31	\$ 9,774	\$ 86,707		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2u**

RELATED MUNICIPAL ENTITY
CARNEGIE PUBLIC LIBRARY GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Cash receipts		
Intergovernmental	\$ 72,582	\$ 72,181
Fines and forfeitures	1,336	1,046
Use of money and property	289	945
Other Income	<u>181</u>	<u>395</u>
Total cash receipts	<u>74,388</u>	<u>74,567</u>
Expenditures		
Culture and recreation		
Personal services	55,479	56,536
Contractual	7,452	4,745
Commodities	<u>12,963</u>	<u>12,377</u>
Total expenditures	<u>75,894</u>	<u>73,658</u>
Receipts over (under) expenditures	(1,506)	909
Unencumbered cash, January 1	<u>143,707</u>	<u>142,201</u>
Unencumbered cash, December 31	<u><u>\$ 142,201</u></u>	<u><u>\$ 143,110</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2v**

RELATED MUNICIPAL ENTITY
RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Cash receipts		
Charges for services		
Entry fees	\$ 17,427	\$ 8,041
Concession	4,987	5,730
Miscellaneous	3,000	8,074
Use of money and property	12	19
Donations	<u>9,065</u>	<u>0</u>
Total cash receipts	<u>34,491</u>	<u>21,864</u>
Expenditures		
Culture and recreation		
Equipment and supply	3,652	4,805
Repairs and maintenance	3,507	0
Improvements	11,647	2,497
Tournament supplies	4,689	3,912
Miscellaneous	2,215	4,737
Concessions	<u>3,625</u>	<u>3,147</u>
Total expenditures	<u>29,335</u>	<u>19,098</u>
Receipts over (under) expenditures	5,156	2,766
Unencumbered cash, January 1	<u>16,102</u>	<u>21,258</u>
Unencumbered cash, December 31	<u>\$ 21,258</u>	<u>\$ 24,024</u>

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 3**

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash Balance January 1, 2018	Cash Receipts	Cash Disbursements	Cash Balance December 31, 2018
Municipal Court	\$ 21	\$ 102,535	\$ 102,556	\$ 0
Municipal Court Bonds	0	4,325	1,325	3,000
Tax Withholding	0	114,310	110,766	3,544
Retirement	<u>388</u>	<u>61,269</u>	<u>59,097</u>	<u>2,560</u>
Total agency funds	\$ <u>409</u>	\$ <u>282,439</u>	\$ <u>273,744</u>	\$ <u>9,104</u>

See Independent Auditor's Report.